

Generally, medical tools, devices and equipment used for diagnostic, rehabilitative and treatment purposes do not qualify for the reduced State rate of tax for medical appliances as such items, while being used for treatment of patients, are not directly substituting for a malfunctioning part of the body. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

April 19, 2006

Dear Xxxxx:

This letter is in response to your letter dated January 9, 2006, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I was told that your Legal Division would be able to give a clear definition (yes or no) on the following items falling under the 1% Medical Sales Tax.

Stair Lifts	Canes
Residential Elevator for Wheelchair Access	Crutches
Vertical Platform Lift for Wheelchair Access	Commodes
Overhead Personal Transfer System	Grab Bars
Personal Lifts (Hoyer) and Accessory	Toilet Raisers
Lift Chairs	Shower Bench/Chair
Hospital Style Beds & Accessory	Attends
Over Bed Table	Jevity (Liquid Nutrition)
Manual Wheelchairs	Walkers & Accessory
Manual Wheelchair Accessory	Portable Foldable Ramps
Manual Wheelchair Parts for Repair	
Power Wheelchair	
Power Wheelchair Accessory	
Power Wheelchair Parts for Repair	
3 Wheel Mobility Scooters	
3 Wheel Mobility Scooter Parts for Repair	

4 Wheel Mobility Scooters
4 Wheel Mobility Scooter Parts for Repair
Mobility Scooter Accessory
Mobility Scooter Parts for Repair
Power Wheelchair & Mobility Scooter Batteries
Vehicle Lifts for Wheelchair or Scooters
Lowered Floor Conversion on Wheelchair Accessible Van

You may send your response to:

ADDRESS

DEPARTMENT'S RESPONSE:

All gross receipts from sales of tangible personal property in Illinois are subject to Retailers' Occupation Tax unless an exemption is specifically provided. Medicines and medical appliances are not taxed at the normal State rate of 6.25%. These items are taxed at a lower State rate of 1%. See 86 Ill. Adm. Code 130.310. Items subject to this lower State tax rate include prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing utensils, syringes, and needles used by diabetics, for human use.

Medical devices that are used for diagnostic or treatment purposes do not qualify for the lower tax rate. Generally, medical tools, devices and equipment used for diagnostic, rehabilitative and treatment purposes do not qualify for the reduced State rate of tax for medical appliances as such items, while being used for treatment of patients, are not directly substituting for a malfunctioning part of the body. See 86 Ill. Adm. Code 130.310(c).

Wheelchairs and walkers qualify for the low rate of tax. Corrective medical appliances such as hearing aids, glasses, and contact lenses are also eligible for the lower sales tax rate. See Section 130.310(c)(2). However, home lift systems and elevators, bed trapezes, and shower/commode chairs do not generally qualify for the low rate. In order to qualify for the low rate of tax as a medical appliance, the item must directly substitute for a malfunctioning part of the body. These items do not meet this requirement.

Stairway wheelchair lifts, stairway chairlifts, and vertical chairlifts are devices which, while used to assist a person with physical disabilities, do not directly substitute for a malfunctioning part of the body. Such items do not fall within the definition of medical appliance and are, therefore, taxed at the State sales tax rate of 6.25% plus any applicable local taxes. Residential elevators are, likewise, not considered medical appliances as such items do not directly substitute for a malfunctioning part of the body.

With regards to the electrical scooters and power wheelchairs you mention, Illinois Department of Revenue rules include wheelchairs as medical appliances eligible for the lower State sales tax rate, which has been interpreted to also include electrical wheelchairs. See, Section 130.310(c)(2). Generally, the lower sales tax rate is not applicable to power operated vehicles. A determination of whether or not an electric scooter qualifies for the lower State rate would depend on specific factual information as to how such item is used and by whom. Such determination cannot be made within the context of a General Information Letter. You may wish to review the Department's "Sunshine Letter" rulings regarding other specific items. These general information letters may be found on the Department's internet website under the heading of "Laws/Regs/Rulings."

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

EEB:msk